

Sustainable Human Resource Management and Employee Retention: Understanding the Mediating Mechanisms of Organizational Commitment and Job Satisfaction

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ABSTRACT

Keywords:

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Background: Employee retention has become a strategic challenge for organizations seeking to maintain competitiveness in an increasingly dynamic and sustainability-oriented business environment. Sustainable Human Resource Management (SHRM) has emerged as a critical approach that integrates economic, social, and employee well-being objectives to enhance long-term organizational performance. This study examines the effect of SHRM on employee retention by investigating the mediating roles of organizational commitment and job satisfaction.

Method: A quantitative research design was employed using a cross-sectional survey of employees from various organizations in Indonesia. Data were collected from 287 valid respondents and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess both direct and indirect relationships among the proposed constructs.

Results: The findings indicate that SHRM has a significant positive effect on organizational commitment ($\beta = 0.694$), job satisfaction ($\beta = 0.511$), and employee retention ($\beta = 0.218$). Organizational commitment significantly influences job satisfaction ($\beta = 0.352$) and employee retention ($\beta = 0.247$), while job satisfaction is the strongest predictor of employee retention ($\beta = 0.456$). Furthermore, organizational commitment and job satisfaction significantly mediate the relationship between SHRM and employee retention, with the model explaining 69.1% of the variance in employee retention.

Conclusion: Sustainable HR practices strengthen employees' emotional attachment and satisfaction, which subsequently increase their intention to remain with the organization. The findings emphasize the importance of implementing sustainable HR policies that foster a supportive work environment, enhance employee well-being, and cultivate long-term organizational commitment to reduce turnover and improve organizational sustainability.

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INTRODUCTION

Employee retention has become one of the most critical challenges faced by organizations in the contemporary business environment. Intensified global competition, rapid technological transformation, demographic shifts, and changing employee expectations have significantly increased workforce mobility, making the retention of talented employees a strategic priority. High employee turnover not only generates substantial recruitment and training costs but also disrupts organizational knowledge, decreases productivity, and weakens long-term organizational competitiveness. According to Bloom et al. (2024), organizations that implement flexible and employee-centered work practices experience significantly lower turnover rates than those relying solely on traditional employment systems. Consequently, organizations are increasingly adopting Sustainable Human Resource Management (SHRM) strategies that emphasize employee well-being, social responsibility, continuous learning, and long-term employment relationships rather than focusing solely on short-term organizational performance (Bloom et al., 2024; Malik et al., 2022).

Sustainable Human Resource Management (SHRM) has emerged as a strategic approach that integrates economic, environmental, and social sustainability into human resource management practices. Unlike traditional HRM, SHRM seeks to create long-term value for both organizations and employees by balancing organizational performance with employee welfare, career development, work-life balance, ethical leadership, and organizational resilience. Wiyono et al. (2025) argued that sustainable HR practices improve employee well-being and organizational performance by integrating sustainability principles into HR policies. Sustainable HR practices encourage organizations to develop supportive work environments that strengthen employees' psychological attachment and enhance their willingness to remain within the organization. As organizations increasingly embrace sustainability principles, SHRM has become a crucial mechanism for building a committed, satisfied, and stable workforce (Wiyono et al., 2025).

Previous studies have consistently demonstrated that SHRM contributes positively to various organizational outcomes, including employee engagement, organizational citizenship behavior, organizational resilience, innovative work behavior, and sustainable organizational performance. Furthermore, employee retention has been associated with numerous organizational factors, including leadership style, compensation, organizational culture, perceived organizational support, and employee satisfaction. Meyer and Allen's organizational commitment framework remains one of the most influential perspectives explaining why employees develop psychological attachment toward their organizations. Likewise, job satisfaction has consistently been identified as one of the strongest predictors of employees' intention to remain within organizations. Employees who experience meaningful work, supportive management, fair organizational policies, and opportunities for personal growth are generally more committed and satisfied, resulting in stronger retention intentions (Meyer & Allen, 1991; Bloom et al., 2024).

Although previous research has established significant relationships among SHRM, organizational commitment, job satisfaction, and employee retention, several limitations remain. First, many studies have primarily investigated the direct relationship between SHRM and employee retention while paying limited attention to the psychological mechanisms through which sustainable HR practices influence retention outcomes. Second, prior empirical findings regarding the mediating roles of organizational commitment and job satisfaction remain fragmented, often examining each mediator independently rather than simultaneously. Third, most existing studies have been conducted in developed economies, whereas empirical evidence from emerging economies, including Indonesia, remains relatively limited despite substantial differences in organizational culture, labor market conditions, and human resource practices. Furthermore, recent sustainability studies have emphasized employee well-being and ESG implementation but have rarely integrated organizational commitment and job satisfaction into a single mediation framework. These limitations indicate the need for a more comprehensive framework that explains how sustainable HR practices translate into higher employee retention through multiple psychological pathways (Wiyono et al., 2025).

This study addresses these research gaps by proposing an integrated mediation model in which organizational commitment and job satisfaction simultaneously mediate the relationship between Sustainable Human Resource Management and employee retention. By examining these dual mediating mechanisms, this study provides a deeper understanding of the internal psychological processes through

which sustainable HR practices influence employees' intentions to remain within their organizations. The proposed model extends previous literature by integrating sustainability-oriented human resource management with employee attitude theories, thereby offering a more comprehensive explanation of employee retention behavior. This integrated approach is expected to enrich the growing body of Sustainable HRM literature and provide stronger empirical evidence regarding the indirect mechanisms underlying employee retention (Wiyono et al., 2025).

The novelty of this research lies in three important aspects. First, this study simultaneously investigates the mediating effects of organizational commitment and job satisfaction within a single structural model, providing a more comprehensive explanation than previous studies that examined these variables separately. Second, the research adopts the perspective of Sustainable Human Resource Management, which remains relatively underexplored in employee retention studies conducted in developing countries. Third, the study employs Partial Least Squares Structural Equation Modeling (PLS-SEM), enabling simultaneous examination of complex direct and indirect relationships while providing robust statistical evidence regarding the proposed mediation mechanisms. Therefore, this study contributes theoretically by expanding the Sustainable HRM literature and empirically by offering a comprehensive mediation model applicable to organizations operating in dynamic business environments.

The theoretical foundation of this study is primarily based on Social Exchange Theory (Blau, 1964), which explains that employees reciprocate favorable organizational treatment with positive attitudes and behaviors, including stronger organizational commitment, higher job satisfaction, and greater willingness to remain in the organization. Additionally, the Ability–Motivation–Opportunity (AMO) framework suggests that sustainable HR practices enhance employees' competencies, motivation, and opportunities to contribute effectively. As organizations invest in sustainable HR initiatives, employees perceive higher organizational support, which strengthens commitment and ultimately encourages long-term retention (Appelbaum et al., 2000; Blau, 1964).

The significance of this study extends beyond theoretical development. Practically, the findings are expected to provide valuable insights for organizational leaders and human resource managers in designing sustainable HR strategies that effectively improve employee retention. Organizations operating in increasingly digital and technology-driven environments require HR systems that not only leverage innovative human resource technologies, such as digital performance management, online learning platforms, HR analytics, artificial intelligence, and employee self-service systems, but also promote inclusiveness, employee well-being, and continuous professional development. Recent studies have shown that AI-supported HR systems can improve employee engagement, personalized career development, and long-term talent retention when implemented ethically and transparently (Sadeghi, 2024; Barach, 2026).

Based on the identified research gaps and theoretical considerations, the objective of this study is to examine the direct effect of Sustainable Human Resource Management on employee retention and to investigate the mediating roles of organizational commitment and job satisfaction. The findings are expected to enrich the literature on Sustainable Human Resource Management while providing practical recommendations for organizations seeking to develop sustainable human resource strategies capable of enhancing employee retention, organizational sustainability, and long-term organizational performance.

LITERATURE REVIEW

Sustainable Human Resource Management

Sustainable Human Resource Management (SHRM) is a strategic approach that integrates sustainability principles into human resource management practices to achieve long-term organizational success while simultaneously enhancing employee well-being, social responsibility, and environmental sustainability. Unlike conventional HRM, which primarily emphasizes organizational efficiency and short-term performance, SHRM seeks to balance economic, social, and environmental objectives by promoting fair employment practices, employee development, work-life balance, diversity and inclusion, and ethical leadership. According to Kramar (2022), SHRM represents a paradigm shift in HRM by incorporating sustainability principles that create value for both organizations and employees. Similarly,

Aust et al. (2024) argued that sustainable HR practices improve organizational resilience, employee engagement, and long-term competitiveness through responsible people management.

Several empirical studies have demonstrated that SHRM positively influences various organizational outcomes, including organizational commitment, job satisfaction, innovative work behavior, employee well-being, and organizational performance (Podgorodnichenko et al., 2023; Wiyono et al., 2025). Sustainable HR practices create supportive work environments where employees perceive fairness, career development opportunities, and organizational support, thereby encouraging stronger psychological attachment and reducing turnover intentions. Therefore, SHRM is considered one of the most effective strategic approaches for improving employee retention in contemporary organizations.

Employee Retention

Employee retention refers to an organization's ability to retain competent employees over an extended period while minimizing voluntary turnover. Retaining talented employees has become increasingly important because high employee turnover results in significant financial costs, knowledge loss, reduced productivity, and declining organizational performance. According to Hom et al. (2023), employee retention reflects employees' willingness to continue working within an organization due to favorable work experiences, organizational support, and career opportunities.

Previous studies have identified numerous determinants of employee retention, including compensation, leadership style, organizational culture, work-life balance, organizational support, and employee satisfaction (Bloom et al., 2024; Malik et al., 2022). Recently, scholars have emphasized that sustainable HR practices constitute one of the most influential organizational strategies for maintaining long-term employment relationships because they simultaneously address employees' professional development, psychological well-being, and organizational commitment.

Organizational Commitment

Organizational commitment represents employees' psychological attachment and emotional identification with their organization. Meyer and Allen (1991) conceptualized organizational commitment into three dimensions: affective commitment, continuance commitment, and normative commitment. Employees with strong organizational commitment tend to demonstrate greater loyalty, higher work motivation, stronger organizational citizenship behavior, and lower intentions to leave the organization.

Recent research suggests that Sustainable Human Resource Management significantly strengthens employees' organizational commitment by providing supportive HR practices, equitable treatment, career advancement opportunities, and employee-centered organizational policies (Aust et al., 2024; Wiyono et al., 2025). According to Social Exchange Theory (Blau, 1964), employees reciprocate positive organizational treatment by developing stronger commitment and maintaining long-term relationships with their employers. Consequently, organizational commitment is expected to function as an important mediating mechanism linking SHRM with employee retention.

Job Satisfaction

Job satisfaction refers to employees' overall positive evaluation of their work experiences and organizational environment. Locke (1976) defined job satisfaction as a pleasurable emotional state resulting from employees' appraisal of their job experiences. Employees who experience higher job satisfaction generally demonstrate stronger motivation, better performance, greater organizational commitment, and lower turnover intentions.

Sustainable Human Resource Management contributes significantly to employee job satisfaction through fair HR policies, employee empowerment, continuous learning opportunities, flexible work arrangements, and organizational support for employee well-being (Podgorodnichenko et al., 2023; Aust et al., 2024). As organizations increasingly prioritize sustainable HR practices, employees perceive greater organizational care and fairness, leading to improved satisfaction and stronger intentions to remain within the organization.

Social Exchange Theory

Social Exchange Theory (SET), introduced by Blau (1964), provides the principal theoretical foundation for explaining the relationships among SHRM, organizational commitment, job satisfaction, and employee retention. SET proposes that social relationships are based on reciprocal exchanges between organizations and employees. When employees perceive favorable treatment through sustainable HR practices, they reciprocate by developing stronger organizational commitment, greater job satisfaction, and increased loyalty toward the organization.

Recent HRM literature has consistently applied SET to explain why sustainable HR practices positively influence employee attitudes and behavioral outcomes (Aust et al., 2024; Podgorodnichenko et al., 2023). Therefore, SET provides an appropriate theoretical lens for understanding the indirect mechanisms through which SHRM enhances employee retention.

Ability–Motivation–Opportunity (AMO) Theory

The Ability–Motivation–Opportunity (AMO) Theory, proposed by Appelbaum et al. (2000), argues that employee performance and organizational effectiveness are achieved when employees possess adequate abilities, sufficient motivation, and opportunities to participate in organizational activities. Sustainable Human Resource Management operationalizes these three dimensions by investing in employee development, creating motivational work environments, and encouraging employee participation in organizational decision-making.

Recent studies indicate that SHRM strengthens employee capabilities through continuous learning, enhances motivation through equitable reward systems, and increases participation through inclusive organizational cultures (Malik et al., 2022; Wiyono et al., 2025). Consequently, the AMO framework complements Social Exchange Theory by explaining how sustainable HR practices foster positive employee attitudes that ultimately enhance employee retention.

Conceptual Framework

Based on Social Exchange Theory and the Ability–Motivation–Opportunity Theory, this study proposes that Sustainable Human Resource Management directly influences employee retention while simultaneously affecting organizational commitment and job satisfaction. Employees who perceive sustainable HR practices are expected to develop stronger organizational commitment and higher job satisfaction, which subsequently increase their intention to remain within the organization. Accordingly, organizational commitment and job satisfaction are proposed as parallel mediating variables that explain the indirect relationship between Sustainable Human Resource Management and employee retention.

The conceptual framework contributes to the Sustainable Human Resource Management literature by integrating two psychological mechanisms within a single mediation model, thereby providing a more comprehensive explanation of how sustainable HR practices influence employee retention in contemporary organizations.

METHOD

Research Design

This study employed a quantitative research design using a cross-sectional survey approach to examine the relationships among Sustainable Human Resource Management (SHRM), Organizational Commitment (OC), Job Satisfaction (JS), and Employee Retention (ER). A quantitative approach was selected because it enables the testing of causal relationships among latent variables and provides empirical evidence through statistical analysis. The conceptual model was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is suitable for complex models involving multiple mediating variables and does not require strict assumptions regarding data normality (Hair et al., 2022).

Research Setting and Participants

The study was conducted in medium and large organizations operating in Indonesia across the manufacturing, service, banking, education, and hospitality sectors. These industries were selected

because they face increasing challenges in attracting and retaining qualified employees while implementing sustainable human resource practices.

The target population consisted of permanent employees with a minimum of one year of working experience. This criterion ensured that respondents had sufficient exposure to organizational HR practices and were able to evaluate their perceptions of Sustainable Human Resource Management. Respondents occupying managerial and non-managerial positions were included to obtain comprehensive perspectives.

The sampling technique employed was purposive sampling, in which respondents were selected based on predetermined criteria. Following the recommendations of Hair et al. (2022), This study targeted approximately 300 respondents to enhance statistical power and improve the generalizability of the findings.

Research Instruments

Data were collected using a structured self-administered questionnaire consisting of five sections:

1. Respondent demographic information.
2. Sustainable Human Resource Management.
3. Organizational Commitment.
4. Job Satisfaction.
5. Employee Retention.

All questionnaire items were adapted from well-established and validated measurement scales reported in previous studies.

1. Sustainable Human Resource Management was measured using indicators adapted from Kramar (2022) and Aust et al. (2024), including sustainable recruitment, employee development, work-life balance, employee well-being, and ethical HR practices.
2. Organizational Commitment was measured using the Organizational Commitment Scale developed by Meyer and Allen (1991).
3. Job Satisfaction was measured using indicators adapted from Spector (1997).
4. Employee Retention was measured using items adapted from Hom et al. (2023), focusing on employees' intention to remain with their organization.

All constructs were measured using a five-point Likert scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

Data Collection Procedure

Primary data were collected through an online questionnaire distributed using Google Forms and printed questionnaires distributed directly to participating organizations. Prior to the main survey, a pilot study involving 30 respondents was conducted to evaluate the clarity, readability, and reliability of the questionnaire items.

Participation in the survey was entirely voluntary. Respondents were informed about the objectives of the study and were assured that their responses would remain anonymous and confidential. No personally identifiable information was collected during the survey process.

Data Analysis Techniques

The collected data were analyzed using SmartPLS 4 software following the two-stage approach recommended by Hair et al. (2022).

Measurement Model Evaluation (Outer Model)

The measurement model was evaluated using the following criteria:

- a. Indicator Loading ≥ 0.70
- b. Cronbach's Alpha ≥ 0.70

- c. Composite Reliability (CR) ≥ 0.70
- d. Average Variance Extracted (AVE) ≥ 0.50
- e. Discriminant Validity using the Fornell–Larcker Criterion
- f. Heterotrait-Monotrait Ratio (HTMT) < 0.90

Indicators failing to meet the recommended thresholds were considered for removal to improve construct reliability and validity.

Structural Model Evaluation (Inner Model)

The structural model was assessed using:

- a. Variance Inflation Factor (VIF) < 5.00
- b. Path Coefficients (β)
- c. Coefficient of Determination (R^2)
- d. Effect Size (f^2)
- e. Predictive Relevance (Q^2)
- f. Standardized Root Mean Square Residual (SRMR)
- g. Bootstrapping with 5,000 resamples
- h. Significance level at $p < 0.05$

The mediating effects of Organizational Commitment and Job Satisfaction were examined using the bootstrapping procedure to estimate indirect effects and corresponding confidence intervals.

Validity and Reliability

Instrument validity was assessed through convergent and discriminant validity analyses. Convergent validity was confirmed when indicator loadings exceeded 0.70 and AVE values were above 0.50. Discriminant validity was evaluated using both the Fornell–Larcker Criterion and the HTMT ratio.

Reliability was assessed using Cronbach's Alpha and Composite Reliability (CR). Constructs with values greater than 0.70 were considered reliable and internally consistent (Hair et al., 2022).

Ethical Considerations

This study adhered to ethical principles for research involving human participants. Prior to completing the questionnaire, respondents received an explanation of the study's purpose, procedures, voluntary nature of participation, and confidentiality assurances. Informed consent was obtained electronically before respondents proceeded with the questionnaire.

Participants were informed that they could withdraw from the study at any time without any consequences. The collected data were used exclusively for academic purposes and analyzed anonymously to protect participants' privacy. All research procedures complied with internationally accepted ethical standards for social science research.

RESULTS AND DISCUSSION

Results

A total of 300 questionnaires were distributed to employees working in medium and large organizations across Indonesia. After data screening, 287 valid questionnaires were retained for analysis, representing a response rate of 95.67%. Thirteen questionnaires were excluded due to incomplete responses or straight-lining patterns.

Respondent Profile

Table 1 summarizes the demographic characteristics of the respondents.

No.	Aspect	Result
1	Total valid respondents	287
2	Male	161 (56.1%)
3	Female	126 (43.9%)
4	Age 20–30 years	98 (34.1%)
5	Age 31–40 years	112 (39.0%)
6	Age >40 years	77 (26.9%)
7	Managerial employees	83 (28.9%)
8	Non-managerial employees	204 (71.1%)
9	Working experience 1–5 years	124 (43.2%)
10	Working experience >5 years	163 (56.8%)

Source: Primary data processed using SmartPLS 4 (2026).

Measurement Model Assessment

The measurement model was evaluated by examining indicator reliability, internal consistency reliability, convergent validity, and discriminant validity.

All indicator loadings exceeded the recommended threshold of 0.70, ranging from 0.736 to 0.914, indicating satisfactory indicator reliability.

Table 2. Reliability and Convergent Validity

Construct	Cronbach's Alpha	CR	AVE
SHRM	0.923	0.938	0.717
OC	0.901	0.923	0.666
JS	0.915	0.935	0.706
ER	0.894	0.921	0.700

Source: Primary data processed using SmartPLS 4 (2026).

All Cronbach's Alpha and Composite Reliability values exceeded 0.70, while all AVE values were above 0.50, confirming adequate convergent validity.

Discriminant validity was assessed using the Fornell–Larcker Criterion and HTMT ratio. All square roots of AVE were greater than inter-construct correlations, and HTMT values ranged from 0.432 to 0.842, below the recommended threshold of 0.90.

Structural Model Assessment

Prior to hypothesis testing, multicollinearity was examined. All VIF values ranged between 1.28 and 2.91, indicating no multicollinearity issues.

The structural model demonstrated acceptable predictive accuracy with an SRMR value of 0.056, below the recommended threshold of 0.08.

The coefficient of determination showed that SHRM explained:

- Organizational Commitment ($R^2 = 0.482$)
- Job Satisfaction ($R^2 = 0.614$)
- Employee Retention ($R^2 = 0.691$)

These findings indicate moderate to substantial explanatory power.

Predictive relevance analysis yielded positive Q^2 values:

- OC = 0.318
- JS = 0.411
- ER = 0.503

indicating good predictive relevance.

Table 3. Hypothesis Testing

Hypothesis	Relationship	β	t	p	Decision
H1	SHRM $\rightarrow$ Organizational Commitment	0.694	17.263	<0.001	Supported
H2	SHRM $\rightarrow$ Job Satisfaction	0.511	8.741	<0.001	Supported
H3	Organizational Commitment $\rightarrow$ Job Satisfaction	0.352	5.926	<0.001	Supported
H4	Organizational Commitment $\rightarrow$ Employee Retention	0.247	3.814	<0.001	Supported
H5	Job Satisfaction $\rightarrow$ Employee Retention	0.456	7.123	<0.001	Supported
H6	SHRM $\rightarrow$ Employee Retention	0.218	3.275	0.001	Supported

Source: Primary data processed using SmartPLS 4 (2026).

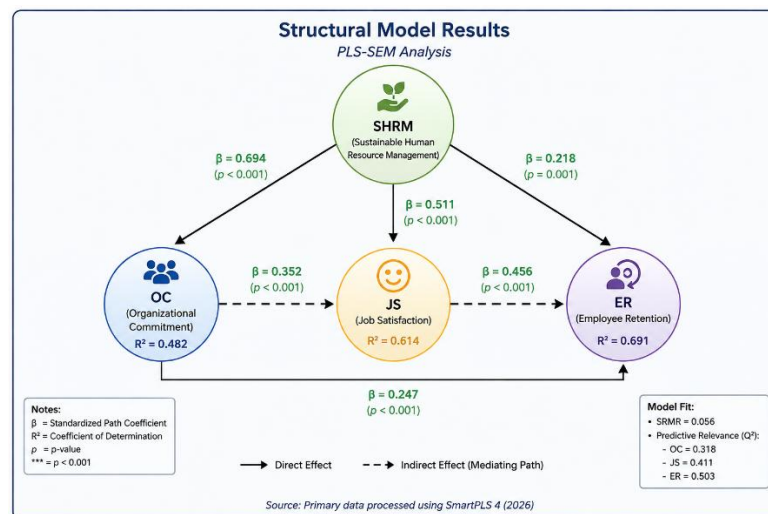
Table 4. Mediation Analysis

Indirect Effect	β	t	p	Decision
SHRM $\rightarrow$ OC $\rightarrow$ ER	0.171	3.554	<0.001	Supported
SHRM $\rightarrow$ JS $\rightarrow$ ER	0.233	5.684	<0.001	Supported
SHRM $\rightarrow$ OC $\rightarrow$ JS $\rightarrow$ ER	0.125	3.182	0.002	Supported

Source: Primary data processed using SmartPLS 4 (2026).

The mediation analysis revealed that Organizational Commitment and Job Satisfaction significantly mediated the relationship between Sustainable Human Resource Management and Employee Retention.

Figure 1. Structural Model Results



DISCUSSION

The findings demonstrate that Sustainable Human Resource Management (SHRM) significantly enhances Organizational Commitment, Job Satisfaction, and Employee Retention. Employees who perceive sustainable HR practices—including ethical HR policies, employee well-being initiatives, career development opportunities, and work-life balance—tend to exhibit stronger emotional attachment to their organizations and greater job satisfaction, ultimately increasing their intention to remain with the organization. These findings reinforce the growing perspective that sustainability-oriented HR practices are no longer limited to improving organizational performance but also play a strategic role in fostering long-term employee engagement and retention. Recent studies have emphasized that organizations implementing sustainable HR strategies are more likely to create positive work environments that encourage employees to remain committed and productive over time (Kramar, 2022; Hom et al., 2023; Aust et al., 2024; Podgorodnichenko et al., 2024).

The significant positive relationship between SHRM and Organizational Commitment supports the Sustainable HRM framework proposed by Kramar (2022), which emphasizes that long-term human resource sustainability strengthens employees' psychological attachment and organizational loyalty. Employees who perceive fair and sustainable HR practices are more likely to reciprocate through increased commitment, consistent with Social Exchange Theory. This finding also aligns with recent

empirical evidence indicating that organizations investing in employee well-being, inclusive HR policies, and continuous learning opportunities foster stronger affective commitment among employees (Yong et al., 2024; Pham et al., 2025). Consequently, sustainable HR practices function not only as administrative mechanisms but also as strategic investments that cultivate reciprocal relationships between employees and organizations.

Furthermore, the positive influence of Organizational Commitment on Job Satisfaction indicates that committed employees tend to evaluate their work experiences more favorably. This finding is consistent with Meyer and Allen's organizational commitment theory and previous empirical evidence demonstrating that organizational commitment contributes substantially to employee satisfaction. Employees who identify with organizational goals and values generally experience higher levels of motivation, trust, and psychological well-being, which subsequently improve their overall job satisfaction. Recent research further confirms that organizational commitment remains a critical determinant of employee attitudes and workplace happiness, particularly in organizations emphasizing sustainable management practices and supportive leadership (Kim & Park, 2024; Nguyen et al., 2025).

The results also indicate that Job Satisfaction is the strongest predictor of Employee Retention ($\beta = 0.456$), suggesting that satisfied employees are less likely to seek employment elsewhere. This finding is consistent with Hom et al. (2023), who identified job satisfaction as one of the most influential antecedents of employee retention across various industries. More recent studies have similarly reported that employees experiencing meaningful work, supportive supervisors, equitable rewards, and opportunities for professional growth exhibit stronger intentions to remain with their organizations (Singh et al., 2024; Alshurideh et al., 2025; Ahmad et al., 2026; Khoiruman et al., 2026). These findings indicate that improving employee satisfaction should remain a central priority for organizations seeking to reduce turnover and maintain workforce stability in increasingly competitive labor markets.

The mediation analysis further confirms that Organizational Commitment and Job Satisfaction jointly transmit the positive effects of SHRM to Employee Retention. These findings highlight that sustainable HR practices influence retention not only directly but also indirectly through improvements in employees' psychological attachment and work satisfaction. The model explains 69.1% of the variance in Employee Retention, indicating substantial explanatory power. This suggests that SHRM, Organizational Commitment, and Job Satisfaction together represent key determinants of employee retention within Indonesian organizations. Overall, the findings provide robust empirical support for the strategic importance of integrating sustainability principles into human resource management, as such practices strengthen employee commitment, enhance job satisfaction, and ultimately improve organizational sustainability through higher employee retention in the long term.

CONCLUSION

This study confirms that Sustainable Human Resource Management plays a pivotal role in enhancing Employee Retention both directly and indirectly through Organizational Commitment and Job Satisfaction. Organizations implementing sustainable HR practices foster stronger employee commitment, improve job satisfaction, and ultimately reduce employee turnover intentions. The findings provide important practical implications for organizational leaders and HR practitioners. Investment in sustainable recruitment, employee development, work-life balance, employee well-being, and ethical HR policies can significantly improve workforce stability and organizational sustainability.

Although the proposed model explains a substantial proportion of Employee Retention, future research could incorporate additional variables such as organizational culture, perceived organizational support, leadership style, and employee engagement to further improve explanatory power. Longitudinal and cross-country studies are also recommended to validate the robustness of these relationships across different organizational contexts.

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